

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: WINNEBAGO COOPERATIVE TELEPHONE ASSOCIATION AND FOREST CITY TELEPHONE, INC.	DOCKET NOS. SPU-04-33 WRU-04-54-519 TF-04-515
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**ORDER APPROVING JOINT APPLICATION FOR DISCONTINUANCE OF
SERVICE, AUTHORIZING TRANSFER OF CERTIFICATE, GRANTING WAIVER,
AND APPROVING TARIFF**

(Issued December 27, 2004)

On November 29, 2004, Winnebago Cooperative Telephone Association (Winnebago) and Forest City Telephone, Inc. (Forest City), filed a joint application for discontinuance of service and transfer of certificate pursuant to Iowa Code §§ 476.20 and 476.29. The filing indicates that Winnebago and Forest City are merging and the merger will result in the discontinuance of service by Forest City and the assumption or continuance of service by Winnebago. The joint applicants request the transfer of Forest City's certificate to Winnebago.

The filing states that Forest City is a wholly-owned subsidiary of Winnebago and is authorized to provide local telephone service in Forest City, Iowa. The filing also states that Winnebago is presently certified to provide local exchange service in Iowa and that it is ready, willing, and able to provide comparable service to the Forest City exchange.

In support of this request, the applicants state that the transfer of the Forest City exchange to Winnebago will result in more efficient service in Winnebago's service territory. The applicants state that the ability to operate as one entity will ease Winnebago's operational administration. In addition, the applicants assert that there will not be any actual discontinuance of service since Winnebago will assume service to Forest City's customers upon the completion of the merger.

Forest City and Winnebago request that Certificate No. 0183, issued to Forest City on July 31, 1998, be terminated and Certificate No. 0001, issued to Winnebago as amended on July 13, 1994, be amended to include the service area originally served by Forest City. Both Winnebago and Forest City have served proper notice on Forest City's customers informing them of the transfer of Forest City's customer base to Winnebago and that there will not be a change in the rates, terms, and conditions of services provided to Forest City's customers.

The Board will approve joint request of Forest City and Winnebago to amend their certificates. An order canceling Forest City's certificate (Certificate No. 0183) is being issued concurrently with this order and will become effective upon the withdrawal of Forest City's existing tariff. An amendment to Winnebago's certificate (Certificate No. 0001) to reflect the addition of the Forest City, Iowa, exchange originally served by Forest City is also being issued concurrently with this order.

On December 6, 2004, Winnebago filed a proposed replacement tariff with the Board providing the terms, conditions, and rates for local exchange service in its

listed exchanges, including the Forest City, Iowa, exchange, as described in the exchange map filed with the Board on December 10, 2004. Revisions to the proposed replacement tariff were filed on December 15 and December 20, 2004. The proposed replacement tariff and its revisions have been identified as Docket No. TF-04-515.

The Board has reviewed the proposed replacement tariff filed by Winnebago on December 6, 2004, and the revisions filed on December 15 and December 20, 2004, and finds that the replacement tariff substantially complies with Board rules for the filing and processing of tariff pages. The tariff contains rates for both business and residential customers. Notice was provided to all affected carriers. The Board will approve the replacement tariff effective the date of this order.

Forest City and Winnebago have also requested the Board grant a waiver of 199 IAC 22.23(2) regarding individual customer verification rules for unauthorized changes in telecommunication services. The waiver request was identified as Docket No. WRU-04-54-519.

To grant this waiver, the Board must find, based on clear and convincing evidence, that the request meets the four criteria in 199 IAC 1.3. The four criteria are: 1) the application of the rule would cause undue hardship, 2) the waiver would not prejudice the substantial legal rights of any person, 3) the provisions of the rule are not specifically mandated by statute, and 4) substantially equal protection of

public health, safety, and welfare will be afforded by a means other than prescribed by the rule.

The Board finds that a waiver of 199 IAC 22.23(2) should be granted based on the Board's review of the information provided by Forest City and Winnebago. The Board finds that it would be an undue hardship for Winnebago to obtain individual authorization verifications for the change in service providers from Forest City's many customers. The Board also finds that the waiver will not affect the substantial legal rights of any person and that equal protection of the public health, safety, and welfare have been afforded since all of Forest City's customers received notice of the merger between Forest City and Winnebago.

IT IS THEREFORE ORDERED:

1. The joint request filed by Winnebago Cooperative Telephone Association and Forest City Telephone, Inc., on November 29, 2004, to amend their certificates of public convenience and necessity is approved.
2. An order canceling Certificate No. 0183, issued to Forest City Telephone, Inc., on July 31, 1998, is being issued concurrently with this order and will become effective upon the withdrawal of its existing tariff.
3. An order amending Certificate No. 0001, issued to Winnebago Cooperative Telephone Association as amended on July 13, 1994, reflecting the addition of the Forest City, Iowa, exchange originally served by Forest City Telephone, Inc., is being issued concurrently with this order.

4. The replacement tariff filed by Winnebago Cooperative Telephone Association on December 6, 2004, and amended on December 15 and December 20, 2004, and identified as TF-04-515, is approved effective upon the issuance of this order.

5. The joint request by Winnebago Cooperative Telephone Association and Forest City Telephone, Inc., for a waiver of 199 IAC 22.23(2), the verification requirement for unauthorized changes in telecommunications service, is granted.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 27th day of December, 2004.